State of North Dakota
Project Business Case

Project Identification:
Project Name: Unemployment Insurance Internet Applications (UIIA)
Date: 10/21/03
Agency: Job Service North Dakota (JSND)
Business Unit/Program Area: Centralized Services
Project Sponsor: JSND Senior Management Team
Project Manager: Heather Raschke

Business Need/Problem:
There are several issues facing JSND Unemployment Insurance which necessitates the need for change.

JSND is not open 24 hours per day, 7 days per week. Many businesses are open during hours that do not coincide with JSND's office hours (e.g. nights and weekends). These businesses require a mechanism to file their taxes during their own business hours.

The same issue holds true for UI claimants. Although JSND currently allows claimants to file their claims by telephone through an Interactive Voice Response system, claimants also require an alternate mechanism. Sunday is the peak day for claimants to file certifications, with as many as 8000 certifications a day being transacted. This equates to busy signals being received by customers.

Although JSND has been previously acknowledged as one of the top performing UI programs by the Department of Labor, the level at which the agency meets the performance standards is beginning to decline. JSND staff requires increased capability and time for dealing with specific interfaces with employer and claimant customers in order to maintain the current level of customer service and quality assurance.

Solution:
JSND plans to enhance its business processes and customer services by offering Unemployment Insurance (UI) claimant and employer customers the option of filing claims, weekly eligibility certifications, and quarterly tax reports on-line, as well as making tax payments on-line via the Internet. Two Internet applications, Internet Claims and Internet Tax, will be developed. These applications will utilize the existing legacy system for data storage and processing. The Internet applications will be available 24 x 7 for the public's use.

Consistency/Fit with Organization's Mission:
The Job Service IT plan includes the following relevant language:

- "JSND strives to provide effective and efficient client and customer service through the application of technology."

- "JSND strives to provide customers with a one-stop Internet source for every aspect of their interaction with Job Service."

Giving employer and claimant customers access to electronic filing and to their individual records accords completely with the Agency's IT plan.

Effect on Other Projects or Systems: This project should reduce the utilization of our telephonic claims filing and eligibility certification system. This project will impact on, and necessarily

interface with, our existing UI tax and benefit processing system that operates on JSND's Unisys mainframe.

Anticipated Benefits:
Benefits of Both Internet Claims and Internet Tax:
- Service to customers will be expanded to allow those with access to the Internet to file electronically. Many North Dakota public library sites have public use computers with Internet access, so ownership of a personal computer is not necessary.
    - o Measurement for Internet Claims: JSND's goal upon initial implementation of the system is that ten percent of initial claims would be taken using the Internet during the first year, and that percentage would grow to forty percent in four years.
    - o Measurement for Internet Tax: JSND's goal upon initial implementation of the system is that ten percent of tax and wage reports would be taken using the Internet application during the first year, and that percentage would grow to forty percent in four years.

- Unemployment Insurance electronic and information technology will be accessible to people with disabilities.
    - o Measurement: Both the Internet Claims and Internet Tax applications are ADA/Section 508 compliant.

- Internet applications are available 24 X 7. The Internet process is available and can be fully completed (from the customer's viewpoint) at any time of the day.
    - o Measurement: Both the Internet Claims and Internet Tax applications are available to customers with 97% uptime.

- For data entered over the Internet, there will be no delays due to postal service handling.
    - o Measurement: For data entered over the Internet, it expected that zero days would be lost due to postal and handling delays.

- Customers will be allowed to access e-government services through a single sign-on (i.e. user id and password).
    - o Measurement: The applications will utilize the State of North Dakota's current LDAP infrastructure thereby allowing customers to sign-on once per web session to access government web applications that are LDAP enabled.

- Customer exposure to the Job Service web site, including information regarding the variety of services offered by the agency, will be enhanced.
    - o Measurement: JSND anticipates a 5% increase in the number of visits to the website during the first year after implementation.

- Customer satisfaction will increase due to JSND's improved method of customer service. Customers will be provided an alternative, yet convenient, method of conducting business with JSND. This method allows for the customer to receive immediate confirmation that the data was received by the agency, which eliminates some of the residual uncertainty involved in the mail-in process.
    - o Measurement: Customer surveys will be built into the system to allow customers to provide immediate and continuous feedback. Use of the surveys will ensure the customers are satisfied with the Internet applications. If less than 100% of the respondents indicate satisfaction, the Internet applications will be continually reviewed based upon the specific comments of the customers.

Specific Benefits of Internet Claims:

- Claims that are considered "clean", i.e. do not require staff intervention, will be processed directly by the system.
  - o Measurement: JSND anticipates that 12% of the claims will be "clean" claims, requiring no staff intervention.

- The system will gather the adjudication information, which currently requires staff intervention.
  - o Measurement: Without increasing the number of staff, the JSND Claims Center will continue to meet Federal performance standards for timeliness and quality of adjudication decisions on non-monetary eligibility issues.

- The implementation of Internet services will provide for improved service delivery times for all claimants. As more individuals begin using the internet in order to file claims and certify weekly eligibility, claimants accessing services via telephone will see an improvement in response times from Job Service. Customers will receive fewer busy signals.
  - o Measurement: One year after implementation, an expected reduction of 10% in the average speed of answer should be observed for individuals calling the Unemployment Insurance Claims Center.

Specific Benefits of Internet Tax:

- Faster completion of Tax and Wage Reporting data intake will improve UI Benefits service, since the wage data will be available when submitted for support of claims handling activities, rather than depend on data input by UI staff.
  - o Measurement: Data will be available up to two months earlier than the current process.

- Reduction of the amount of JSND UI staff time needed to process tax and wage data because 1) data entry will be performed by the customer and 2) paper storage and staff time needed for filing and eventual purging of records will be eliminated.
  - o Measurement: If the four-year goal of 40% utilization is reached, the need to hire temporary staff to meet the data input requirements would be reduced or eliminated. Additionally, work may be redirected to higher-level tasks.

- Data entry errors will be reduced. In many current processes, the customer hand-writes the information, and then JSND personnel read and transcribe it to electronic form. The Internet applications will allow the customer to enter the data, through a series of edits, into the applications directly. There is no intervening human interpretation. Thus, it is much less likely that errors will occur.
  - o Measurement: Cross-match errors will be reduced by 20%.

Following are the implications of not executing the project:

- Over time, JSND staff will have less capacity to deal with the workload generated by the processing of paper forms.
- Customers will have less flexibility in conducting business with JSND.
- The federal grant dollars of $795,600 must be returned to the United States Department of Labor. It is anticipated that the funding agent will no longer be offering grants for the purpose of Internet Claims and Internet Tax applications.

NOTE: The benefits described in this section are subject to change if the scope of the project has to be reduced to correspond with available funding.

Original Cost Estimate:
The project plan envisions the issuance of a Request for Proposals for development of the project. Project costs will be known when the responses to the RFP are received. Should project costs contained in the acceptable proposal exceed the current funding available through our federal grants ($795,600), the project team will seek additional funding through the Agency's Senior Management Team.

Special Fund Sources:
Two United States Department of Labor grants have been provided to JSND in the amount totaling $795,600. The grant for developing Internet claims is for the amount of $445,600; the grant for developing Internet Tax and Wage Reporting is for the amount of $350,000.

Any additional financial resources required by the project will be funded by JSND. The amount of additional funds needed is unknown at this time.

Project Risks:
Project risks are characteristics, circumstances, or features of the project environment that may have an adverse effect on the project or the quality of its deliverables. Known risks identified with this project have been included below. A plan will be put into place to minimize or eliminate the impact of each risk to the project.

Risk Area	Assessment		Impact	Mitigation
	Probability	Severity		
Time limit on fund expenditure	Medium	High	Available federal funding must be obligated and expended by September 30 and December 31, 2004 respectively.	Detailed planning and adherence to project schedule – Conservative scheduling to allow for probable slippage of scheduled events. Sound project management.
If existing base software is utilized, risk of difficulty of retrofitting to mainframe	High	High	Retrofitting costs may be significant resulting in overall project costs that exceed committed budget. Retrofitting may be more time consuming than initially anticipated.	Detailed planning and requirements analysis. Sound project management.
Using software acquired from another State might require different maintenance tool set	Medium	High	If existing software is acquired from another State, IT might be required to have staff skilled in two maintenance tool sets, thus stretching our already thin resource even thinner, perhaps to the breaking point.	Try to avoid purchase of such a package, and, if the best possible solution seems to be to purchase such a package, prepare support alternatives for Senior Management Team decision-making.
Internet applications would not be used to the extent necessary	Low	Low	Claimant and business customers might not use the applications, thus causing a large expenditure of time and money without needed	Availability of applications needs to be marketed, and will be. In addition, experience of other

to justify the time and expense of developing them.			benefit.	States indicates that utilization begins at an acceptable level immediately and grows thereafter.
That when and if the current Legacy system is replaced, the Internet applications contemplated by this project will not be compatible with the replacement system.	Low	Low	The Agency is planning on a complete modernization of its UI tax and benefit system, but recent studies indicate a cost for that project which can't be funded in the foreseeable future (for at least five years). The impact of the risk factor would be that the investment in the current Internet applications would be fully or partially lost.	The Agency is committed to any replacement system being server-based, and operating on an Oracle database. We will develop this project in such a way as to ensure future compatibility.
That JSND IT staff resource would be diverted to other projects thus extending the project timetable.	Medium	High	Other projects requiring a substantial investment of the JSND IT staff resource can, and often are, imposed by the Federal government. That imposition is usually in the form of a mandate for compliance in a certain time, so the imposed project must be given necessary priority.	Good overall IT planning, taking into account the historical likelihood of new federally required automation requirements.
Claimants committing fraud via the internet application.	Medium	High	Scarce funds will be spent on fraudulent claims rather than on people who are truly in need.	Build security into the system to minimize the likelihood that fraud will occur. Learn from other states.